

Siting and Review Process Offshore LNG Terminals

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DOE LNG Forum

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The Deepwater Port Act of 1974

- Background & Recent Changes to the Deepwater Port Act (DWPA)
- Application Process
- Key Points about the Application Process



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Background & Changes to the DWPA

DWPA signed in 1975, applied only to oil

- **Regulate Commerce**
- **Promote Transportation Efficiency**
- **Protect the Environment**
- **LOOP in operation since '81 off Louisiana**

The Deepwater Ports Modernization Act of 1996

- **Update existing Act, reduce regulatory burden**
- **Recognize effective competition exists**
- **Promote innovation, flexibility, and efficiency**



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Recent Changes to the DWPA

November 25, 2002, President Bush signed the Maritime Transportation Security Act of 2002 (MTSA), adding natural gas to the DWPA

How MTSA changed the existing DWPA:

- **Defined natural gas and deepwater port**
- **Removed “managed access” restrictions**
- **Removed geographic area restrictions (natural gas only)**
- **Required regulations addressing natural gas**



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Application Process

DWP Application requirements found in Title 33 Code of Federal Regulations, Part 148

Submitted to USCG with application fee - \$350K

Applicant reimburses US Treasury for costs incurred by Federal government to process application

Docket: <http://dms.dot.gov/>



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Application Process

Statutory time limit of 356 days

- 21+5 Review for completeness/publish notice
- 240 Develop EIS/hold final public hearing
- 90 Receive comment/issue ROD

USCG and MARAD must consult with other Federal Agencies and Adjacent Coastal State

Development of Environmental Impact Statement (EIS) is the majority of the pre-Record of Decision efforts



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Environmental Impact Statement

- Purpose and need
- Description of alternatives
- Environmental impacts including - geology, soils, sediments, water resources, wetlands, fisheries, wildlife, threatened and endangered species, socioeconomics, transportation, cultural resources, marine biology, noise, recreation and aesthetics, and reliability and safety.



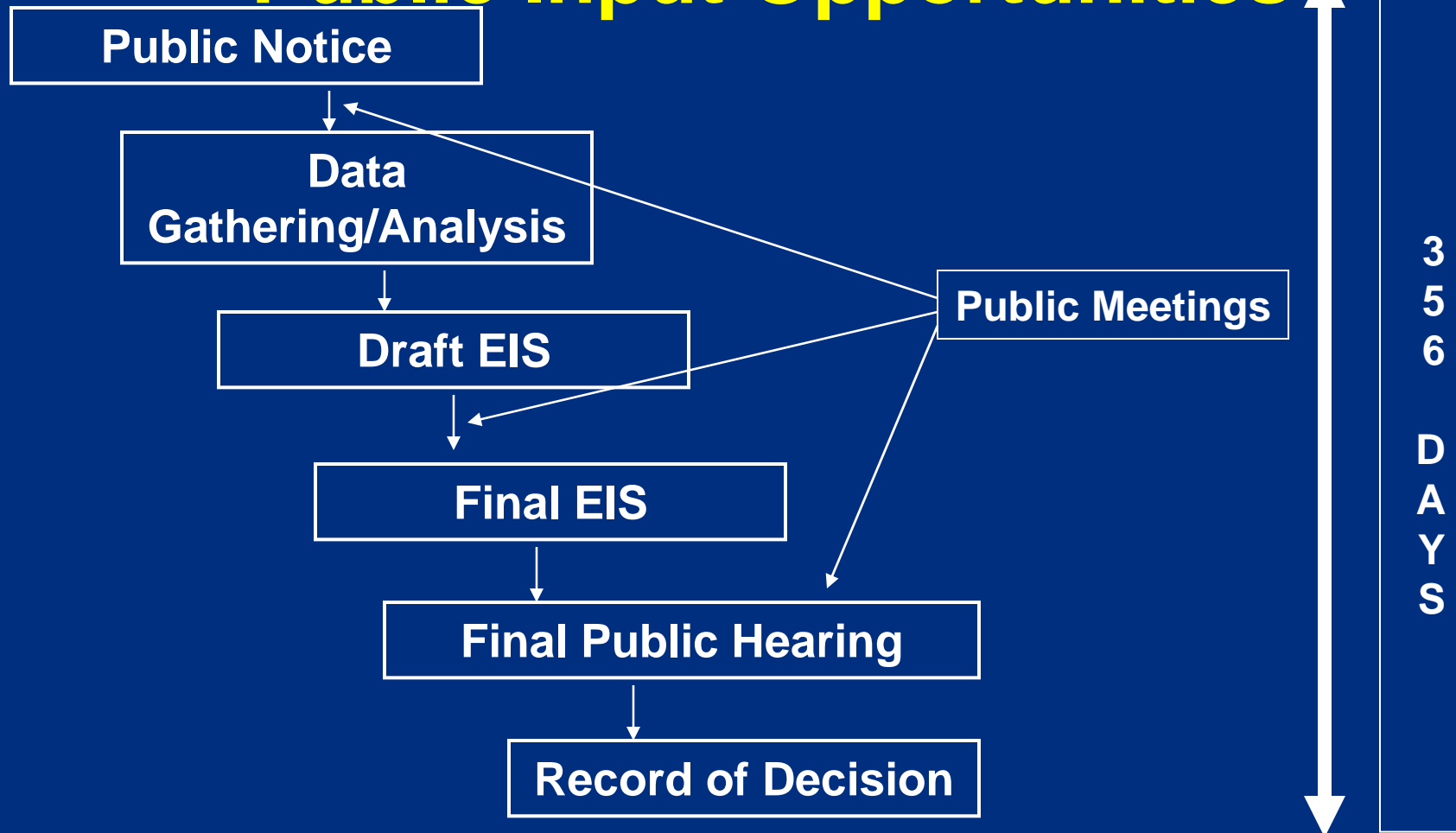
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Review Process and Public Input Opportunities



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Key Points about the Application Process

Federal gov't uses an environmental consultant

Single EIS used for all Federal agency permitting

- **Considerable work done with other agencies to facilitate the process and maintain consistency**
- **Produce preliminary, interim and final/public versions of Draft and Final EIS**

**Meetings held in the adjacent coastal state for:
Scoping, Draft EIS, & Final Public Hearing**



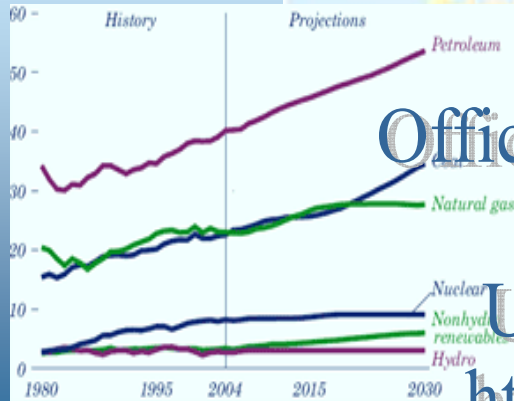
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LNG Deepwater Port Licensing



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U.S. Maritime Administration

<http://www.marad.dot.gov/dwp>



DWPA Licensing Considerations

- **Financial responsibility**
- **Compliance with relevant laws, regulations and License conditions**
- **National interest**
- **International navigation**
- **Compliance with environmental review criteria, compliance with NEPA, and impact on the marine environment**
- **EPA's confirmation on conformance with all applicable provisions of the Clean Air Act, the Federal Water Pollution Control Act, and the Marine Protection, Research and Sanctuaries Act**
- **Consultation with the Secretaries of the Army, State and Defense**
- **Approval of the Governor of the Adjacent Coastal State(s)**
- **Consistency with Coastal Zone Management Program**



Coordination with Federal and State Officials

- **MARAD works with over 15 federal agencies to identify and address areas of concern related to the proposed project to meet its statutory obligations under the DWPA.**
- **Adjacent coastal States are:**
 1. **Connected by pipeline;**
 2. **Located within 15 miles of a DWP, or**
 3. **Designated upon request.**
- **DWPA conditions issuance of a license on the approval of the Governor(s) of the “adjacent coastal State or State(s).”**
- **Designation of Adjacent coastal states coordinates the Governor’s input into the DWP process.**



Post License Approvals

The DWPA requires that a Licensee comply with applicable Federal and State laws for obtaining various technical and environmental permits relative to the construction and operation of a deepwater port. A few examples include:

- Operations Manual Approved by the U.S. Coast Guard**
- Section 404 Permit Issued by the U.S. Army Corps of Engineers**
- Prevention of Significant Deterioration and Title V Air Quality Permits Issued by the U.S. EPA**
- National Pollution Discharge Elimination System (NPDES) Permit Issued by the U.S. EPA**



Essential Fish Habitat (EFH) Monitoring and Mitigation Program

MARAD has established a policy that all deepwater port applicants proposing to use ORV technology are required to develop prevention, monitoring, and mitigation plans to measure, minimize and mitigate the remaining impacts. The plans include:

- Three years of baseline monitoring**
- Full operational monitoring**
- Prevention plans to minimize impacts**
- Environmental Stewardship – immediate mitigation to EIS**
- National Academy of Science review of monitoring plans for scientific completeness.**



Suspension or Termination of Licenses

- **If a licensee fails to comply with any applicable requirement of licensure:**
 - **Automatic suspension or termination upon the occurrence of a fixed or agreed upon condition, event, or time;**
 - **Through action in the United States District Court to suspend the license or revoke the license.**
- **If MARAD determines that immediate suspension of the construction or operation of a deepwater port is necessary to protect public health, safety or to eliminate imminent and substantial danger to the environment, (Construction or operation suspended pending the completion of a judicial review.)**

MARITIME ADMINISTRATION

DEEPWATER PORT LICENSING

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